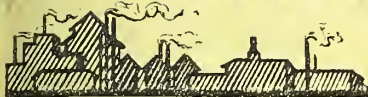


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SHORTS & FEATURES



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RURAL RETAIL SALES ARE HIGHER THIS YEAR

Rural retail sales for the nation show a 20 percent gain for the first 9 months of 1935 as compared with the same period of 1934. The increase in sales was largest in the South, 26 percent. The Middle West came next with a gain of 21 percent; while remaining rural areas showed a gain of about 19 percent.

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WHEAT ACREAGE IN EUROPE REACHES PEAK

The increase of wheat production in Europe -- one of the most important causes for the decline in exports of American wheat prior to 1932 -- has about reached its peak, according to the 1936 wheat outlook report. Acreage in Europe increased rapidly during the post-war years, and during the last few years yields have been much higher than average because of favorable weather conditions. Now, however, it appears that this increasing movement has halted and that acreage will remain at its present level, or go somewhat lower. Any reduction in acreage is expected to be gradual, as the European nations still stress self-sufficiency. Such countries as France, Germany, and Italy are nearly self-sufficient when their yields are average or better, but if yields go below average they need to import wheat.

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FARM CASH RECEIPTS SHOW UPWARD TREND

It is estimated that AAA rental and benefit payments will contribute 595 million dollars to cash farm income during 1935. During the first eight months of 1935 cash receipts from sales of farm products plus benefit payments amounted to \$4,018,000,000 as compared with \$3,754,000,000 for the corresponding period in 1934, \$2,980,000,000 in 1933, and \$2,803,000,000 in 1932.

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SURPLUSES ABSORBED
UNDER AAA PROGRAMS

Much of the improvement in agriculture is attributed to the fact that accumulated surpluses in farm products have been eliminated or reduced during the time that the Agricultural Adjustment Act has been in effect. Part of this has been due to the drought, in other cases the reduction has been directly accomplished by adjustment. The wheat carryover was 393 million bushels in 1933 and is now nearly normal at 152 million bushels. The world supply of American cotton was nearly 13 million bales in 1932 and now is about 9 million bales. The rice carryover was 220 million pounds in 1932 and in 1935 this was 77 million pounds, or about normal. The tobacco carryover was about 900 million pounds in 1933, but is now about 450 million pounds. Cotton, rice and tobacco were NOT affected by the drought. For such commodities as corn, hogs, and peanuts, large surpluses do not accumulate, but the extremely large supplies moving into consumption bring ruinously low prices.

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DIVERSION TO ABSORB
LARGEST PEANUT CROP

Diversion of peanuts from edible uses into the manufacture of peanut oil is providing a market outlet for this year's record crop of peanuts. Due to a temporary short supply of vegetable oils and other fats, peanut oil enters a favorable market. With increased consumption, under a diversion plan, the price has increased from 1.47 cents per pound in 1932 to the current average price of 3.25 cents a pound. The diversion is made possible by AAA payments at such rates as tend to make up the difference between the oil value of the peanuts and the prices which the program seeks to return to growers. Farm income from the 1935 crop is expected to total about \$25,900,000, as compared with \$12,947,000 for the 1932 crop, \$20,913,000 for the 1933 crop, and \$29,671,000 for the 1934 crop.

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RYE PROGRAM SHOWS
AAA FLEXIBILITY

The manner in which adjustment programs can be shaped
to fit the peculiar needs of a particular crop is

clearly demonstrated by the new adjustment plan for rye. The problem of rye was different from that of other crops as rye has many uses other than grain -- it may be used for hay, pasture, or for plowing back into the land to enrich the soil. Consequently there is a wide difference between acreage planted and that harvested for grain. A program which would adjust only the seeded acres might not have the desired affect on grain production, and might interfere with established farm practices. To meet this problem, and yet adjust grain production so that producers might receive better prices, the program is based on acres harvested, without regard to acres planted. Farmers cooperating in the rye program may plant as many acres as they wish, and then divert their acreage in excess of their harvesting allotment to hay or pasture or soil-improvement uses.

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IMPORTS PAY DUTY
PLUS PROCESS TAX

Agricultural imports must scale the regular tariff walls
and, if they are products on which a processing tax is in

effect, they must pay in addition to the tariff, a compensating tax equivalent to the processing tax. Commodities of this category entering in processed form pay the compensating tax on entry. If imported in raw form they pay the tax when processed. Thus, imported wheat must pay a duty of 42 cents per bushel plus 30 cents compensating tax; corn, 25 cents per bushel plus 5 cents compensating tax; rye 15 cents per bushel plus 30 cents compensating tax; and pork \$2 per hundred if fresh, frozen or chilled, or \$3.25 per hundred if prepared, plus the equivalent of the compensating tax of \$2.25 per hundred. Receipts from compensating taxes on imports aid in financing rental and benefit payments; in addition, 30 percent of customs receipts are available to make rental or benefit or to encourage exports.

FARMERS LEAD IN NEW
AUTOMOBILE BUYING

The automobile industry is leading the nation in industrial recovery, and farmers are leading the nation in purchases of new autos as the greatest gain in purchases of new automobiles is found in rural regions. New auto registrations increased from 1,276,524 in 1932 to 1,738,663 in 1933, and to 2,292,443 in 1934. During the first eight months of 1935 new car registrations topped 1934, with 2,336,630 cars recorded. The gain in car sales on farms and in small towns during 1934 increased by 38 percent over 1933, as compared to the gain of 18 percent in cities.

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HIGH POTATO PRICES
BRIGHTEN OUTLOOK

Although potato prices have shown marked improvement, the AAA will stand by with a surplus-diversion plan and marketing agreement, as insurance of increased purchasing power to more than a quarter million farm families dependent on potatoes as their principal source of income. Prices for potatoes have advanced to such an extent that such plans are not likely to be needed. The diversion operation and market agreement were proposed at a time when potatoes were selling for less than one-half of the fair exchange value. Under this plan, growers who divert a portion of their 1935 crop to by-product uses, such as alcohol, starch or livestock feed may receive diversion payments of 25 cents per hundredweight, in addition to the purchase price. The immediate objective was to increase returns to growers and bring relief from the low prices. However, due to freezes and the anticipated effect of the proposed program, prices for potatoes have advanced to near the parity level, and unless prices should decline materially below present levels, few, if any growers would find it profitable to take advantage of the diversion offer.

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FARM BANKRUPTCIES
SHOW SHARP DECLINE

Farm bankruptcies declined 20 percent in the fiscal year ending June 30, 1935, as compared to the previous year. This was a greater relative decline than for any other occupational group in the country, except merchants.

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AGRICULTURAL COMMODITIES
MOVE CLOSER TO PARITY

Farm products are increasing in purchasing power --
having reached 87 percent of the purchasing power

they had in the period 1909-1914 -- but, as of October 15, only hogs and tobacco, of the 15 agricultural commodities designated as basic under the Adjustment Act, had reached parity, or fair-exchange value. The following tabulation gives the status on October 15 of 13 of the basic commodities as to actual farm price, the current price which would give them parity, or fair-exchange value, and what percentage actual price bears to the current parity price. Programs have been in effect, or are being put into effect, for the first 10 commodities listed:

| Commodity | U. S. Farm Price | Parity Price | Percentage Farm Price is of Parity |
|------------------------|---------------------|--------------|---------------------------------------|
| Wheat, Per bu. | 96.3¢ | \$1.11 | 86 |
| Corn, per bu. | 71.8¢ | 80.9¢ | 89 |
| Rye, per bu. | 42.1¢ | 90.7¢ | 46 |
| Rice, per bu. | 57.1¢ | \$1.02 | 56 |
| Cotton, per lb. | 10.9¢ | 15.6¢ | 70 |
| Tobacco, per lb. | | | |
| Flue-cured 1/ | 22.8¢ | 18.4¢ | 124 |
| Maryland 1/ | 12¢ | 17.7¢ | 68 |
| Peanuts, per lb. | 3.3¢ | 6.0¢ | 55 |
| Hogs, per lb. | 9.56¢ | 9.10¢ | 105 |
| Sugarcane & beets | No report by months | | |
| Potatoes, per bu. | 46.1¢ | \$1.10 | 53 |
| --- | | | |
| Barley, per bu. | 39.4¢ | 78¢ | 51 |
| Flaxseed, per bu. | \$1.518 | \$2.13 | 71 |
| Cattle, (Beef) per lb. | 6.24¢ | 6.56¢ | 95 |
| Whole milk, cwt. | \$1.66 | \$1.76 | 76 |
| Grain sorghums | No report by months | | |

1/ Only types being sold in month reported.

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FLUE-CURED TOBACCO
YIELD HIGH INCOME

Sales of flue-cured tobacco since markets opened this
fall indicate that growers will receive more money for

their 1935 crop than for any crop in the last 15 years. Indications are that the crop will yield almost four times as much income as the 1932 crop.

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